

**RIO DELL CITY COUNCIL
REGULAR MEETING
JANUARY 4, 2011
MINUTES**

The Regular Meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Woodall.

ROLL CALL: Present: Mayor Woodall, Councilmembers Barsanti, Marks, and Thompson

Absent: Councilmember Dunker

Others Present: City Manager Henrickson, Chief of Police Hill, Finance Director Beauchaine, Acting Public Works Director Jensen, Sergeant Wiener, and City Clerk Dunham

CEREMONIAL

Swearing In and Seating of Newly Elected Council Members

City Clerk Dunham swore in the three newly elected members to the City Council; R.L. "Bud" Leonard, Melissa Marks and Julie Woodall to four year terms ending in 2014. The newly sworn councilmembers assumed their seats on the Council.

Election of Mayor Pro Tempore

City Clerk Dunham passed ballots to council members for the election of Mayor. The results of the votes were announced by the name of the councilmember and for whom they voted.

Councilmember Woodall received three of the five votes cast for the position of Mayor; both Councilmembers Marks and Leonard received one vote.

Councilmembers were then asked to vote for their choice for the position of Mayor Pro Tem by written ballot. City Clerk Dunham announced four votes were received for Councilmember Marks and one vote for Councilmember Thompson for the position of Mayor Pro Tem.

Councilmember Woodall assumed her position as Mayor and Councilmember Marks assumed her position as Mayor Pro Tem.

CONSENT CALENDAR

Mayor Woodall announced the items to be approved on the consent calendar and asked the staff, the public and the Council members if there was anyone who wished to have any item removed from the consent calendar for separate discussion.

Councilmember Marks asked that Items 3, 4 and 5 be removed from the consent calendar for separate discussion.

Motion was made by Thompson/Marks to approve the consent calendar including approval of minutes of the December 7, 2010 regular meeting; minutes of the December 20, 2010 special meeting; denial of Water Bill Claim Adjustment for Mindy Henderson at 250 Monument Road in the amount of \$107.91; approval of Winzler & Kelly Agreement for Services for Scotia Annexation and approval of payment of invoice in the amount of \$4,995.12; approval of Amendment No. 1 on the Scope of Services from Winzler & Kelly for Fireman's Park Improvement Project; approval of Pay Request No. 1 for Wendt Construction Co. in the amount of \$73,305.00 for work related to the Fireman's Park Improvement Project; and authorization for the City Manager to execute the Energy Efficiency Community Block Grant (EECBG) with the County of Humboldt and adopting a special project budget in the amount of \$25,000. Motion carried 5-0; Councilmember Leonard abstained from vote on the Minutes of December 7, 2010 and December 20, 2010 and Councilmember Barsanti abstained from vote on the December 20, 2010 minutes.

ORDINANCES/SPECIAL RESOLUTIONS

Public Hearing, Second Reading (by title only) and Adoption of Ordinance No. 268-2010 State Video Service Franchises Ordinance Implementing "DIVCA", the Digital and Video Competition Act of 2006

City Manager Henrickson said as stated at the last council meeting the State Legislature in 2006 passed, and Governor Schwarzenegger signed into law, the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) which largely replaces the local issuance of cable television franchises with a system in which video franchises are issued by the California Public Utilities Commission. At that meeting, Councilmember Marks requested that Sean McLaughlin, Executive Director of Access Humboldt be invited to attend this meeting and answer questions.

Mr. McLaughlin was introduced and asked to make a short presentation on the proposed ordinance. Mr. McLaughlin began by explaining that the City of Rio Dell was one of the 7 jurisdictions that got together and contracted with the Buske Group to develop a plan for renewal of existing franchise agreements. During that time, Humboldt Access was created to administer the benefits associated with the Ordinance. He commented that there are currently 4 channels on Suddenlink Communications managed by Humboldt Access. He further explained that they were contracted to monitor management of the franchise agreements and with completion of the audit last year, the various jurisdictions were owed approximately \$50,000.

Mr. McLaughlin then explained the language in this proposed ordinance was prepared by the Buske Group to protect the interests of the County and local cities when local cable franchises are eventually superseded by State Video Service Franchises.

A public hearing was opened at 6:48 p.m. to receive public comment on the proposed ordinance.

There being no public comment, the public hearing was closed.

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Motion was made by Thompson/Marks to conduct the second reading (by title only) and approve Ordinance 268-2010 adopting the *State Video Service Franchises Ordinance Implementing "DIVCA", The Digital and Video Competition Act of 2006*. Motion carried 5-0.

Public Hearing, Second Reading (by title only) and Adoption of Ordinance No. 269-2010 Adopting California Building Codes and Appendices and Repealing Title 15, Chapter 15.05.020 Building Codes of the Rio Dell Municipal Code

City Manager Henrickson explained that adoption of this ordinance is basically a formality since enforcement of the new building codes is mandated by the State. He said the City's Building Official, Arnie Kemp was present to answer any questions in regard to the changes in the code

Councilmember Thompson asked about the sprinkler system mandate and how it will impact our water meters; Arnie Kemp explained there are basically three systems that can be used one of which involves the installation of a double meter which will eventually need to be addressed with the public works department. He said in new subdivisions one option would be to run two separate water laterals. The estimated cost for installation of a sprinkler system in a new residence was estimated at \$6,000 - \$7,000.

Councilmember Thompson asked if there were any other big changes in the new code; Arnie said one other notable change is regarding the requirement for the installation of carbon monoxide detectors.

A public hearing was opened at 6:48 p.m. to receive public input on the proposed ordinance.

Mike Yordy asked if a second water line for the sprinkler system would need the same water pressure as a hydrant; Arnie explained the sprinkler systems would be low pressure systems and would only require 7 psi.

There being no further public comment, the public hearing closed at 6:49 p.m.

Motion was made by Marks/Leonard to conduct second reading (by title only) and approve Ordinance No. 269-2010 *Adopting California Building Codes and Appendices and Repealing Title 15, chapter 15.05.020 – building Codes of The Rio Dell Municipal Code*. Motion carried 5-0.

Public Hearing, Approve Urgency Ordinance No. 270-2011 An Urgency Measure Establishing a Temporary Moratorium on the Installation of Smartmeters and Related Equipment within the City of Rio Dell or In, Along, Across, Upon, Under and Over the Public Streets and Places Within the City of Rio Dell, Declaring the Urgency Thereof

City Manager Henrickson stated the issue regarding the installation of SmartMeters was discussed at the December 7, 2010 City Council meeting. Several questions and concerns were raised in regard to whether SmartMeters were in the best interest of the citizens. Since the City Council felt they did not have adequate information to make an informed decision, PG&E

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representatives were invited back to provide a presentation and answer additional questions of the Council and public.

Alison Talbott from PG&E was introduced along with three of her colleagues. They began their presentation with an overview of the SmartMeter Program. It was explained that the Electric SmartMeter is small 1-watt radio that allows two-way communication between the customer and PG&E, which enables the customer to review their daily energy use and creates a more efficient use of energy. These meters would allow automated reading thus taking trucks off the road.

A handout was provided to Councilmembers titled "Understanding Radio Frequency" to help answer questions about potential health effects related to radio frequency emissions from the meters.

Next was review of some of the most commonly asked questions regarding SmartMeters.

Councilmember Thompson expressed concern about the safety of the SmartMeter Program primarily on the transmission of radio waves and possible effects of long term exposure. He also questioned the line of sight and transmission of intermittent signals.

Councilmember Leonard questioned the type of transmission and the band width of an individual pulse. He also asked how the access points were chosen and if the Engineers had looked at the access pattern.

Access points for gas meters were identified as Grayland Heights (PG&E pole), 10 Center St., and 203 Ogle (street light pole). Two access points were identified for electric meters as 1051 Pacific Ave. (PG&E pole) and 2020 Monument Road (PG&E pole).

Councilmember Barsanti asked the representatives present if they had SmartMeters installed at their residences and if so, for how long; one representative said his had been in for approximately 18 months and said it provides good information and allows him to see when he is experiencing a high usage.

Councilmember Marks commented on a recent article in the Times-Standard regarding electricity rates which said that small users would be experiencing a 3% increase whereas larger users would see a 2.6% decrease in rates. It was explained that this was a separate issue and that PG&E was referring to equalization of rates for the various tiers stating that the lower tier rates had been frozen since 2001.

Mayor Woodall stated that there was concern that the SmartMeter Program did not have adequate privacy controls in place and referred to correspondence she had received regarding that issue. She also questioned whether PG&E had the capacity to manage the data base and what their capabilities were in regard to controlling heating and cooling of homes from an

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outside point. It was explained that that program was strictly voluntary and PG&E offered incentives such as cost savings.

Mayor Woodall also asked if PG&E could turn off meters during a “brown-out”. It was explained that the power could only be shut off at the main circuit, not at the SmartMeter.

A public hearing was opened at 8:02 p.m. to receive public comment on the proposed ordinance.

Al Petrovich, 1231 Eeloa Ave. addressed the Council regarding the installation of SmartMeters and referred to his monthly PG&E bill which states there is a service agreement however when he went to the local PG&E office no one seemed to know anything about it and he was told it means nothing. He expressed concern about the number of frequency access points and the number of meters going through each of the two or three access point. He then referred to the Telecommunications Act of 1996 and said that the studies don’t match with what PG&E is stating. He strongly urged the Council to approve the proposed ordinance establishing a temporary moratorium on the installation of SmartMeters and related equipment within the City of Rio Dell.

Mike Yordy commented that PG&E mentioned they would send notices to residents before installing any SmartMeters however a test meter was already installed at one of his rental properties without notification stating that the bill went up 150%. He said he had an issue with having to have a computer to monitor usage since he was basically computer illiterate.

There being no further public comment, the public hearing closed.

Motion was made by Thompson/Leonard to conduct the second reading (by title only) and approve Ordinance No. 270-2011 *Establishing a Temporary Moratorium on the Installation of SmartMeters and Related Equipment Within the City of Rio Dell or in, along, Across, Upon, Under, and Over the Public Streets and Places Within the City of Rio Dell, and Declaring the Urgency Thereof.* Motion carried 5-0.

Mayor Woodall thanked the PG&E representatives for their attendance.

Mayor Woodall called for a brief recess.

The meeting reconvened.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

Approve Scope of Services with Winzler & Kelly for Completion of California Department of Fish and Game 1600 Permit

Councilmember Marks said she requested this item be removed from the consent calendar to allow Winzler & Kelly the opportunity to comment on the Scope of Services. Merritt Perry

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stated he had no comment other than the fact that this item relates to one of last requirements necessary to secure funding for the project.

Approve Water Bill Claim Adjustment for Chris Dazzi at 130 Webster St. in the Amount of \$245.25

Councilmember Thompson stated he reviewed the circumstances of the water claim and recommended the claim be approved for a lower amount; City Clerk Dunham explained the current policy suggests a twelve month average be used to determine the average consumption which is what the adjustment was based on.

Motion was made by Marks/Thompson to deny the water bill claim adjustment for Chris Dazzi in the amount of \$245.25.

Mayor Woodall commented that the current policy should be followed until such time the policy is changed.

Councilmember Marks stated she would recommend denial of the claim based on the current financial status of the City.

Councilmember Thompson withdrew his second on the motion therefore the motion died.

Motion was made by Barsanti/Leonard to deny the claim pending verification that the water leak was repaired. Motion carried 5-0.

Approve Water Bill Claim Adjustment for Liz Samaniego at 444 Edwards Dr. in the Amount of \$150.96

Motion was made by Councilmember Marks to deny the water bill claim adjustment for Liz Samaniego in the amount of \$150.96 because of an outstanding balance on the bill. Motion died due to the lack of a second.

Motion was made by Thompson/Leonard to approve the water bill claim adjustment for Liz Samaniego at 444 Edwards Dr. in the amount of \$150.96. Motion carried 3-2.

Approve Addendum of Contract with HDR and Notice to Proceed on Wastewater Project Design and Stipulate Type of Contract

City Manager Henrickson explained the reason for the addendum to the contract with HDR was because when the Council approved the Contract with HRD for engineering design of the wastewater facility Project No. 2 along with the Notice to Proceed, the City had not arranged for financing of the design cost. The City has now received a commitment from RCAC to finance the design cost however the approval is contingent on certain actions. As a result, the contract was amended to say that compensation for basic services shall be on a time and materials not-to-exceed basis; and that the owner discloses to the engineer the method of financing payment for Engineer's services.

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City Manager Henrickson recommended approval of the Amendment and Notice to Proceed given the time frame associated with selecting a contractor by May 1, 2011 in order to be eligible for grant funding.

Motion was made by Marks/Leonard to approve Contract Amendment No. 1 and Notice to Proceed with HDR on the engineering design of the Wastewater Project Facility Project No. 2 in an amount not to exceed \$689,985. Motion carried 5-0.

Draft Sanitary Sewer Management Plan

Acting Public Works Director Jensen stated the City engaged the services of Freshwater Environmental Services in October, 2010 for the preparation of a Sanitary Sewer Management Plan as directed by the State Water Resources Control Board. The Draft Plan along with the Public Compliance Notification notice was presented to Council for review only at this time. He noted that once the draft is edited and approved, they would be coming back to Council with a draft ordinance to enforce the Sanitary Sewer Management Plan's policies in accordance with the State.

Water Bill Claim Adjustment Policy

City Manager Henrickson stated this item was presented to the Council at the November 2, 2010 regular meeting for consideration and after discussion, the Council asked that the item come back to the Council for further discussion at a later date.

City Manager Henrickson said the question is whether the Council wants to keep the policy, amend it or repeal it. He said if the Council wants to keep the policy he would suggest the adjustment be capped at \$100.00. He said he also would have no objection to repealing the policy.

Councilmembers Barsanti and Leonard commented that they were in favor of capping adjustments at \$100.00; Councilmember Marks stated that she didn't have any objection to capping the amount however would like to see "vandalism" be eliminated as a consideration for adjustment and also language added to say that claims will only be considered if the claimant is current with payment of his/her monthly water bill as of the date of submittal.

The City Manager was directed to bring back a draft policy for consideration with the noted revisions at the next meeting.

Report on Sewer Rate Increase Schedule

Finance Director Beauchaine reported the City is in the planning and design stages of the Phase II Wastewater Compliance Project and in order to secure permanent funding to finance construction costs, the City must implement a Proposition 218 compliant wastewater increase to generate sufficient cash flows to fund the debt service. She then reviewed the schedule related to the proposed wastewater increase stating there would be public hearings on both February 1, 2011 and February 22, 2011 and tours of the wastewater facility on February 4 and 5th.

Receive Compensation Committee Report

City Manager Henrickson provided a power point presentation on *The Rio Dell Compensation Committee Final Report*. He began by providing background stating that the City Council contracted with CPS Human Resources Services to prepare a Salary and Classification Study for the City which was completed in October, 2010. The findings and recommendations of the study indicated that City wages and benefits fell far below the median wage levels of other local organizations. Prior to receipt of the final compensation study, the Council appointed a six member Compensation Committee charged with the task of formulating recommendations for the Council regarding a sustainable compensation program for the City. The Committee was comprised of two Councilmembers, the City Manager, the two union representatives and one department head.

After several meetings the Committee made the findings that 1) The present staffing configuration of the City does not address the major issues facing the community; 2) Present salaries and retirement benefits fall far below the area median as clearly pointed out in the CPS study; 3) The City is facing a crisis with respect to deteriorating streets, deteriorating housing stock, and the lack of a realistic economic development plan; and 4) the City does not have a defined vision and strategic plan to achieve that vision.

The three recommendations that the Committee came up with were: 1) The City adopt a vision statement and strategic plan with initiatives focused on street improvements, housing and economic development; 2) The City undertake significant increases in salaries and pension benefits as a first step to enable the City to hire and retain qualified employees; and 3) The City restructure staffing in order to address the crisis in housing, streets and economic development.

He said another area the Committee explored was possible new revenue sources including an increase in Sales Tax; a Utility User Tax; a Public Safety Assessment; a City-Wide Street Assessment; and other new revenue possibilities.

In closing, City Manager Henrickson said this is an important turning point in the history of the City and a very ambitious approach. He announced the item would come back to the Council for approval at the January 18, 2011 regular meeting and at that time, a public hearing would be conducted to allow the public to comment.

Mayor Woodall asked how information would get out to the public; City Manager Henrickson said in addition to the public hearing the report would be placed on the City's web site and notices would be posted around town. He added that a group of 12 citizens were invited to meet with him and discuss the report.

Mayor Woodall stated the report looks scary but what the City has done in the past has obviously not worked so it's time to take a leap of faith and make some drastic changes.

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Councilmember Marks commented that the report is pretty intense and she does not take it lightly however the City only has so much money to work with. She said the sad part about it is that 6 employees will lose their jobs and urged citizens to come to the meeting on the 18th and comment and offer suggestions.

Paul Hoffman, Belleview Ave. commented that the plan sounds good but he does not like to see people losing their jobs. He said he has come to City Council meetings for several years complaining about storm water problems but nothing has been done. He said the only improvements he has seen are cosmetic things like the Gateway Improvements and asked why the City does not concentrate on securing useful grants that will solve infrastructure problems.

City Manager Henrickson noted the City was recently successful in securing \$6 million in grant funding for wastewater improvements.

PUBLIC PRESENTATIONS

John Lane, 1249 Riverside Dr. gave special thanks to the Public Works Department for solving a sewer problem that had been ongoing for the past 28 years at his residence stating that public works came out and discovered the problem and installed a pipe to solve the problem and prevent the sewer from running to the river.

REPORTS/STAFF COMMUNICATIONS

City Manager Henrickson reported on recent meetings and activities stating that the Bathroom at the Fireman's Park was about 50% complete, and the playground equipment was delivered and would be installed in approximately 60 days.

Finance Director Beauchaine reported on recent activities in the finance department and stated the City was successful in securing the bridge loan for the planning and design of the wastewater improvement project stating the loan amount was modified from \$400,000 to \$1.5 million; and stated she was working on the Prop 218 compliant wastewater rate increase.

Acting Public Works Director Jensen reported on recent activities in the public works department stating they were busy keeping up with clearing of sewer lines and drains.

COUNCIL REPORTS/COMMUNICATIONS

Councilmember Thompson commented on the Energy Grant through RCEA and asked when the project was scheduled to begin; Finance director Beauchaine said we were expected to begin the bidding process in approximately 60 days.

ADJOURNMENT

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There being no further business to discuss, the meeting adjourned at 9:28 p.m. to the January 18, 2011 regular meeting.

Attest:

Julie Woodall, Mayor

Karen Dunham, City Clerk